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**CONFIDENTIAL BUSINESS INFORMATION
DELETED AT PAGES 2, 3, AND 4
AND INDEXED AT PAGE 4**

November 13, 2001

Via E-mail

Ms. Gloria Blue
Executive Secretary, TPSC
Office of the USTR
600 17th Street, NW.
Washington, DC 200508

Re: Steel: Exclusion Request for Tellurium Quality Steel Bar, Grades 860+TE and 5150+TE

Dear Ms. Blue:

Pursuant to the Notice published in the Federal Register on October 26, 2001, Corus Group plc ("Corus") hereby requests that tellurium quality steel bar, grades 860+TE and 5150+TE be excluded from any increased duty, tariff-rate quota, or quantitative restriction that the President may impose under section 203(a) of the Trade Act of 1974. Corus' business confidential information relating to its commercial and financial data has been deleted or indexed. The information deleted or indexed provides detailed information about Corus' commercial shipments and market expectations.

Tellurium steels are non-commodity, highly engineered, custom-made steel products that account for a small portion of all imports of hot-rolled bar and light shapes. While some tellurium steel is produced by the domestic industry, the particular grades of tellurium steel that

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are the subject of this request simply are not made in the United States. There are no substitutes for the type of tellurium steel for which Corus requests an exclusion. Consequently, Corus respectfully requests that these grades of tellurium steel be excluded from any relief provided to the domestic industry.

a. The Commercial Name and HTS Number under which the Product Enters the United States

The product for which Corus requests an exclusion is that tellurium quality steel bar, grades 860+TE and 5150+TE. This product enters the United States under HTS number 7228.30.80.50. The TPSC likely will not glean much useful information from looking at import statistics, however, because this number covers a basket category for any alloy bar that is rolled.

For the convenience of the TPSC, Corus thus provides information about its imports of this highly specialized product. This is a relatively new product. Corus only began to export it to the United States in [], and will likely have exported []. Corus further expects to export approximately [] metric tons of these grades of tellurium steel bar in 2002. As far as Corus is aware, it is by far the dominant exporter of this product into the United States.

b. Description of the product based on physical characteristics

Tellurium quality steel bar is sold by Corus in grades 8620+TE and 5150+TE. Unlike other bars with tellurium added, these grades are produced using alloy, not carbon, steel. Adding tellurium to alloy steel makes these two grades very difficult to produce, and makes other grades not a viable substitute for this product. Mills that have been successful in producing alloy steels may not have much experience with additives that increase machinability, an important aspect of

tellurium steel bars. This lack of experience leads to problems with cracking when they attempt to produce this product.

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c. The Basis for Requesting the Exclusion

In general, most mills cannot add tellurium to bearing quality steel without causing the steel to crack. Until recently, CSC Ltd. was the only domestic producer of tellurium quality steel bar in the two grades listed above. There are no remaining U.S. producers in the market after CSC Ltd. filed for bankruptcy and closed its business. Following CSC Ltd.'s closure, several domestic and foreign producers attempted to produce these grades of tellurium steel. Most of them were not able to overcome the cracking problem and left the market without ever producing the steel. Although there are some domestic producers of tellurium steel bars, there are no domestic suppliers of grades 8620+TE and 5150+TE. Thus, these grades of tellurium steel bar should be excluded from any import relief.

d. Names and Locations of Any Producers

Corus and Venete (Italy) are the only two producers of these grades of tellurium quality steel bar in the world.

e. Total U.S. Consumption

As stated above, Corus began the development of tellurium grades in []. The first deliveries in the United States were made []. The tellurium quality steel bar sold by Corus is [].

[

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	2001	2002	2003	2004	2005
in metric tons	[43	83	83	91.6	100]

f. Total U.S. Production

This product is not produced by any U.S. producer in the two grades for which Corus requests an exclusion.

g. U.S.-produced substitutes

There are no substitutes for this product. While Timken does produce a free-machining steel that may be used in place of tellurium steel, this product is of a lower quality and, hence, increases the costs of production for downstream production. Other tellurium steels also cannot substitute for the 8620+TE and 5150+TE. The grades of tellurium quality steel bar for which Corus requests exclusion are tougher and more wear resistant than other tellurium steels. Adding tellurium to alloy steel produces a very clean bar that maintains its tough and wear resistant properties and improves production rates.

Respectfully submitted,



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